

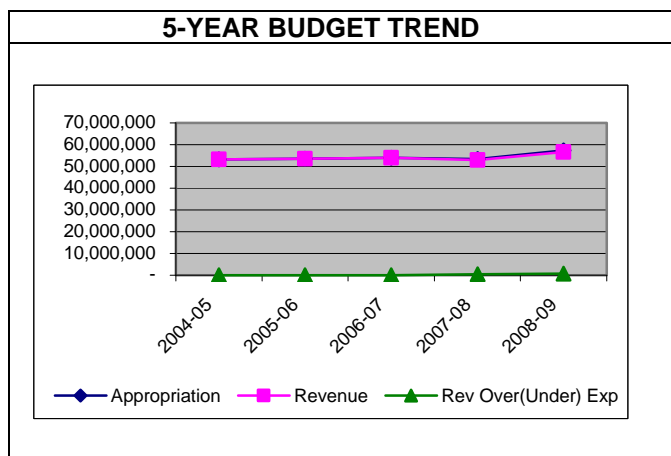
Medical Center Lease Payments

DESCRIPTION OF MAJOR SERVICES

This budget unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from the SB 1732 – Construction Renovation/Reimbursement Program that provides supplemental reimbursement for construction, renovation, or replacement of medical facilities or fixed equipment, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by Health Realignment revenues and tobacco settlement proceeds.

There is no staffing associated with this budget unit.

BUDGET HISTORY

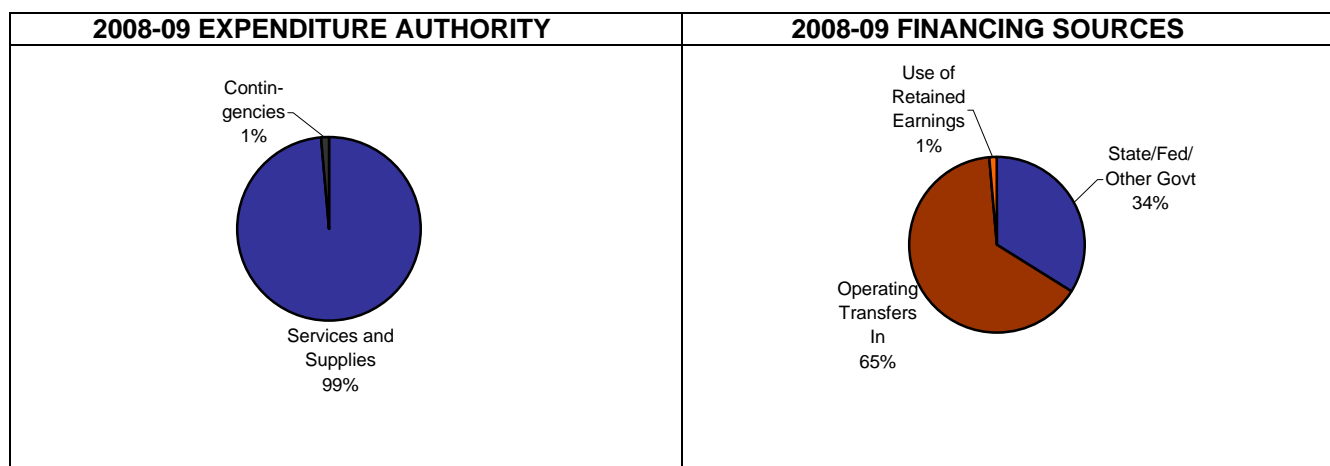


PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	53,267,557	53,485,019	52,143,704	53,419,848	51,823,178
Departmental Revenue	53,267,557	53,485,019	52,554,589	53,008,963	52,147,504
Rev Over(Under) Exp	-	-	410,885	410,885	324,326

Estimated appropriation is less than modified budget primarily due to savings on the interest rate swap associated with the 1998 Medical Center Bonds, in the amount of \$712,919.

ANALYSIS OF PROPOSED BUDGET



GROUP: Health Care
DEPARTMENT: Joint Powers Lease
FUND: ARMC Lease Payments

BUDGET UNIT: EMD JPL
FUNCTION: General
ACTIVITY: Property Management

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Services and Supplies	53,267,557	53,485,019	52,143,704	51,823,178	53,008,963	56,690,631	3,681,668
Contingencies	-	-	-	-	410,885	735,211	324,326
Total Appropriation	53,267,557	53,485,019	52,143,704	51,823,178	53,419,848	57,425,842	4,005,994
Departmental Revenue							
State, Fed or Gov't Aid	20,259,346	21,521,301	26,594,189	23,333,290	24,001,225	19,522,036	(4,479,189)
Total Revenue	20,259,346	21,521,301	26,594,189	23,333,290	24,001,225	19,522,036	(4,479,189)
Operating Transfers In	33,008,211	31,963,718	25,960,400	28,814,214	29,007,738	37,168,595	8,160,857
Total Financing Sources	53,267,557	53,485,019	52,554,589	52,147,504	53,008,963	56,690,631	3,681,668
Rev Over(Under) Exp	-	-	410,885	324,326	(410,885)	(735,211)	(324,326)

Services and supplies of \$56,690,631 reflect lease payment, including \$16.0 million related to final maturity of the 1997 Medical Center equipment bonds, and associated fees.

Contingencies of \$735,211 are increased by \$324,326, the county's share of the interest rate swap savings realized in 2007-08.

State, federal or government aid revenue of \$19,522,036 is decreased by \$4,479,189 due to a decrease in SB 1732 reimbursement resulting from the final maturity of the 1997 Medical Center equipment bonds. A portion of the medical center lease payments is reimbursed by the state through the Construction Renovation/Reimbursement Program (SB 1732). The amount reimbursed by the state depends on the allowable lease payments multiplied by a rate that is calculated by the state every year. The rate fluctuates up or down based on the actual Medi-Cal inpatient days paid to Arrowhead Regional Medical Center.

Operating transfers in of \$37,168,595 are funded by \$10.7 million of Tobacco Master Settlement Agreement monies and \$6.4 million of realignment. It also includes use of \$12.1 million from the cash reserves held by the trustee and related to the final maturity of the 1997 Medical Center equipment bonds. The remaining \$8.0 million represents revenues anticipated to be generated by Arrowhead Regional Medical Center and transferred to fund the remaining debt service lease payment.

